

TOWN OF OPTIMA

TEXAS COUNTY, OKLAHOMA

ACCOUNTANT'S REPORT

FISCAL YEAR ENDED

JUNE 30, 2013

WILLIAM K. GAUER

CERTIFIED PUBLIC ACCOUNTANT
WATONGA, OKLAHOMA

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT

Independent Accountant's Report

To the Specified Users of the Report:

Town Board, Town of Optima
Optima, Oklahoma

Trustees of the Optima Municipal Authority
Optima, Oklahoma

Oklahoma Office of State Auditor and Inspector
Oklahoma City, Oklahoma

I have compiled the accompanying Summary of Changes in Fund Balances-Cash Basis of the Town of Optima and Public Trusts, Optima, Oklahoma as of June 30, 2013 and the related Budgetary Comparison Schedule of General Fund-Cash Basis, Statement of Revenues, Expenses and Changes in Fund Balance of Public Works Authority-Cash Basis, and Schedule of Grant Activity-Cash Basis for the fiscal year ended June 30, 2013. The financial statements have been prepared in a format and basis of accounting, as prescribed by Oklahoma Statutes, that demonstrates compliance with the cash basis and budget laws of the State of Oklahoma, which is a comprehensive basis of accounting other than generally accepted accounting principles. I have not audited or reviewed the financial statements referred to above, and accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the cash basis described above.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting and the requirements of Oklahoma Statutes and for designing, implementing, and maintain internal controls relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide an assurance that there are no material modifications that should be made to the financial statements.

A Professional Services Firm

American Institute of CPAs / Oklahoma Society of CPAs

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT
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Town of Optima and Public Trust
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Management has elected to omit substantially all of the disclosures ordinarily included in financial statements prepared in accordance with the cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Town's assets, liabilities, equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Additionally, I have performed the procedures enumerated below which were agreed to by the specified users of the report, as identified above, and as defined within the applicable state laws of the State of Oklahoma solely to assist the Town and Public Works Authority in meeting its financial accountability requirements as prescribed by Oklahoma Statutes §11-1-17 (105-107) and §60-180.1-.3 and evaluating compliance with specified legal or contractual requirements for the fiscal year ended June 30, 2013. Management of the Town of Optima is responsible for the Town's financial accountability and its compliance with those legal and contractual requirements. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures and Findings

As to the **Town of Optima** as of and for the fiscal year ended June 30, 2013:

1. **Procedures Performed:** From the Town's trial balances, we prepared a schedule of changes in fund balances for each fund (see accompanying Exhibit A) and compared the schedule results to the statutory prohibition of creating fund balance deficits to report any noted instances of noncompliance.

Findings: None

2. **Procedures Performed:** From the Town's trial balances, we prepared a budget and actual financial schedule for the General Fund and any other significant funds listing separately each federal fund (see accompanying Exhibit B) and compared the actual expenditures and encumbrances reported to the authorized appropriations to report any noted instances of noncompliance with the appropriation limitations.

Findings: None

3. **Procedures Performed:** We agreed the Town's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
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4. Procedures Performed: We compared the Town's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

5. Procedures Performed: We compared use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the accounting for the Town's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

7. Procedures Performed: We compared the Town's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Optima Municipal Authority**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Authority's trial balances, we prepared a schedule of revenues, expenditures/expenses and changes in fund balances/net assets for each fund (see accompanying Exhibit C) and compared the schedule results to the applicable trust prohibitions for creating fund balance deficits to report any noted instance of noncompliance.

Findings: None

2. Procedures Performed: We agreed the Authority's material bank account balances to bank statements, and traced the timely clearance of significant reconciling items to report any significant or unusual instances of reconciling items that have not cleared.

Findings: None

3. Procedures Performed: We compared the Authority's uninsured deposits to fair value of pledged collateral to report any amounts of uninsured and uncollateralized deposits.

Findings: None

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES THAT INCLUDES AN ACCOUNTANT'S COMPILATION REPORT ON
ACCOMPANYING FINANCIAL STATEMENTS COMPILED BY THE ACCOUNTANT
(Continued)**

Town of Optima and Public Trust

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4. Procedures Performed: We compared the Authority's use of material-restricted revenues and resources to their restrictions to report any noted instances of noncompliance.

Findings:

5. Procedures Performed: We compared the accounting for the Authority's activities by fund to the legal and contractual requirements for separate funds to report any noted instances of noncompliance.

Findings: None

6. Procedures Performed: We compared the Authority's account balances in reserve accounts to contractually required balances and debt service coverage requirements of bond indentures to the actual coverage to report any noted instances of noncompliance.

Findings: None

As to the **Town of Optima and Municipal Grant Authority's Grant Programs**, as of and for the fiscal year ended June 30, 2013:

1. Procedures Performed: From the Town and Authority's trial balances, we prepared a schedule of grant activity for each grant/contract (see accompanying Exhibit D) and compared the receipts and disbursements to grant agreements and supporting information to report any noted instances of noncompliance with the grant agreement.

Findings: None

I was not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified users, as identified above, and is not intended to be and should not be used by anyone other than these specified parties.


November 30, 2013

Exhibit A
Town of Optima
And

Optima Municipal Authority
Summary of Changes in Fund Balances-Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Beginning of Year	Current Year	Current Year	End of Year
	Fund Balances	Revenue	Expenditures	Fund Balances
TOWN:				
General Fund:				
Operating Account	\$ 18,163	\$ 104,249	\$ 95,189	\$ 27,224
Investments (CD)	-	-	-	-
Total General Fund	18,163	104,249	95,189	27,224
Volunteer Fire Dept	3,031	5,484	6,145	2,370
OVFF Association Fd	159	650	116	694
Town Subtotal	21,353	110,383	101,449	30,288
MUNICIPAL AUTHORITY:				
MA Utility Fund	243	15	22	236
Deposit Fund	2,573	2,100	1,977	2,697
Water Well	348	1	-	348
Waste Water	328	1	-	328
MA Subtotal	3,492	2,116	1,999	3,610
MA Utility Deposits	2,573	2,100	1,977	2,697
MA Overall Totals	918	16	22	913
Grand Total Town	\$ 22,272	\$ 110,400	\$ 101,471	\$ 31,200

Exhibit B
Town of Optima
Budgetary Comparison Schedule General Fund-Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive (Negative)</u>
Beginning Budgetary Fund Balance:	\$ 18,163	\$ 18,163	\$ 18,163	\$ -
Resources (Inflows):				
Taxes:				
Franchise Tax	-	-	15,350	5,586
Total Taxes	-	-	15,350	5,586
Intergovernmental:				
Motor Vehicle Tax	-	-	-	2,873
Alcoholic Beverage Tax	-	-	-	-
Gas Excise Tax	-	-	-	402
Grant Revenue	-	-	-	-
Total Intergovernmental	-	-	-	3,275
Charges for Services:				
Water Utility	-	-	59,098	5,931
Trash Disposal	-	-	24,204	-
Total Services	-	-	83,302	5,931
Investment Income	-	-	69	1,670
Miscellaneous Income				
Permits	-	-	480	30,232
Sale of Property	-	-	320	1,250
Miscellaneous	-	-	4,728	10,837
Other Financing Sources:				
Transfer from Other Funds	-	-	-	15,038
Total Resources	-	-	104,249	73,819
Amounts Available for Appropriation	18,163	18,163	122,412	73,819
Charges to Appropriations (Outflows):				
Personnel Services	-	-	30,006	(19,528)
Maintenance and Operations	-	-	65,183	(51,103)
Capital Outlay	-	-	-	(83,172)
Other Financing Uses:				
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	-	-	95,189	(153,803)
Ending Budgetary Fund Balance	-	-	27,224	227,622

Exhibit C
Optima Municipal Authority
Summary of Changes in Fund Balances-Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Beginning of Year	Current Year	Current Year	End of Year
	<u>Fund Balances</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Fund Balances</u>
MUNICIPAL AUTHORITY:				
MA Utility Fund	243	15	22	236
Deposit Fund	2,573	2,100	1,977	2,697
Water Well	348	1	-	348
Waste Water	328	1	-	328
MA Subtotal	<u>3,492</u>	<u>2,116</u>	<u>1,999</u>	<u>3,610</u>
MA Deposit Liability	2,573	2,100	1,977	2,697
MA Total	<u>918</u>	<u>16</u>	<u>22</u>	<u>913</u>

Exhibit D
Optima Municipal Authority
Statement of Revenues, Expenses and Changes in Fund Balance-Budgetary Basis
For the Fiscal Year Ended June 30, 2013

Operating Revenues:	
Charges for Services:	\$ 83,302
Utility Receipts	-
Penalties and Charges	
Total Operating Revenues	<u>83,302</u>
Operating Expenses:	
Operations	-
Water	59,098
Trash	24,204
Other	22
Total Operating Expenses:	<u>83,324</u>
Operating Income	(22)
Non-Operating Revenue (Expenses):	
Investment Income	1
Miscellaneous	15
Total Non-Operating Revenues (Expenses)	<u>16</u>
Net Income (Loss) Before Contributions and Transfers	(6)
Capital Contributions	
Transfers In	-
Transfers Out	<u>-</u>
Change in Fund Balance	(6)
Fund Balance - Beginning	<u>918</u>
Fund Balance - Ending	<u><u>\$ 913</u></u>

EXHIBIT E
Town of Optima and Optima Municipal Authority
Texas County, Oklahoma
Schedule of Grant Activity
For Year Ended June 30, 2013

TOWN:	<u>Grant Award</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Remainder</u>
Dept of Ag				
Fire Department	\$ 4,484	\$ 4,484	\$ 4,484	\$ -

Town Subtotal	<u>4,484</u>	<u>4,484</u>	<u>4,484</u>	<u>-</u>
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MUNICIPAL AUTHORITY:

PWA Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Overall Totals	<u>\$ 4,484</u>	<u>\$ 4,484</u>	<u>\$ 4,484</u>	<u>\$ -</u>